



April 2, 2002

To: Members, Staff Work Group on Urban Water Use Measurement
From: Bennett Brooks and Eric Poncelet, CONCUR
Re: Key Outcomes: March 18, 2003 Staff Work Group Meeting

Thank you for participating in the kick-off meeting of the Urban Water Use Measurement Staff Work Group, held March 18, 2003, in Sacramento. Below please find a brief summary of key outcomes from the meeting.

I. Participants

The following Urban Water Use Measurement Work Group members attended the March 18, 2003 meeting:

Tim Treloar, CA Water Service Co.-Bakersfield	Joe Lima, Modesto Irrigation District
Rich Plecker, Fair Oaks Water District	Mary Ann Dickinson, CUWCC
Fran Spivy-Weber, Mono Lake Committee	Jeff Reid, McCormick & Barstow (by TLC)
Brian White, CA Building Industry Assoc.	Lucille Billingsley, Bureau of Reclamation
Valerie Nera, CA Chamber of Commerce	Mike Hollis, MWD of Southern CA
Eric Wesselman, Sierra Club	Jim Bennett, SWRCB
Luis Generoso, San Diego Water Department	Dick Bennett, EBMUD
Simon Eching, DWR	Dana Haasz, Pacific Institute (by TLC)

Facilitation team members present included WUE Program Manager Tom Gohring, David Mitchell (M. Cubed), Lee Axelrad (Resources Law Group), Bennett Brooks (CONCUR, Inc.), and Eric Poncelet (CONCUR, Inc.).

Other attendees included CALFED WUE staffer Hilda Smith and Mark Roberson (CALFED consultant).

II. Meeting Materials

The following meeting materials were provided in advance of or at the meeting:

- Agenda and Discussion Notes
- Proposed Ground Rules
- Proposed Schedule and Milestones for Developing Urban Appropriate Measurement Definition

- Compilation of Background Information on Current Urban Water Use Measurement Practices, Costs and Benefits
- Compilation of Background Information on California Legal Authorities Governing Water Use Measurement
- Roster -- Urban Water Use Measurement Staff Work Group
- Work Group Terms of Reference (including Stakeholder Assessment Report)
- Hard copies of the PowerPoint presentations
- Draft Framework document for moving the process forward

Meeting materials are available on CALFED's website.

III. Key Outcomes

The meeting – the first of the Staff Work Group – focused primarily on issues related to the Work Group's background, purpose, approach, work plan, and schedule. It also dedicated substantial time to laying out the context of current urban water use measurement in California.

Key items of discussion included the following:

A. Stakeholder Analysis Summary

Eric Poncelet (CONCUR) reviewed the key findings and preliminary recommendations resulting from a Stakeholder Analysis conducted with 25 stakeholders in the summer and fall of 2002.

B. Proposed Purpose Statement and Table of Contents

Participants reviewed and discussed the proposed Purpose Statement and Table of Contents documents. Discussion focused on several key areas:

- Participants discussed and raised questions regarding the relationship of the CALFED Staff Work Group process and Assembly Bill 306 (introduced by Assembly Member Christine Kehoe and sponsored by the Sierra Club and NRDC). Eric Wesselman (Sierra Club) provided an update of the bill's progress. Some participants questioned whether the Work Group's deliberations were not merely duplicating the AB 306 legislative process. Others raised the possibility that information produced by the Staff Work Group might be misapplied or misrepresented in the AB 306 process.
- Several participants were concerned that the Work Group was limiting its focus solely to service metering in the Central Valley. Such a limited focus was not seen to adequately capture the broad range of interests represented by Work Group members. Participants acknowledged that metering of service connections constituted a major focus for the Work Group, but wanted language added to the purpose statement that emphasized that other issues beyond metering are to be addressed.

- Meeting participants acknowledged that the topic of volumetric billing needed to be part of the scope of the Work Group's deliberations due to its impact on water conservation when coupled with metering. At the same time, participants recommended that the Work Group not address the specifics of rate design.
- Several Work Group members commented that the proposed Purpose Statement and Table of Contents appeared to be more heavily weighted toward a legislative or regulatory approach rather than the types of "incentive-based" approaches also strongly encouraged in the CALFED Record of Decision.
- Participants discussed whether the Work Group's deliberations should be extended to include measurement of independent wells. Most participants seemed disinclined to broaden the scope to include this topic, in part because well water users are already facing a price signal in the form of electricity costs. At the same time, several participants recommended that the topic at least be acknowledged in some fashion – even it is only to recommend that the issue of wellhead measurement is not yet ripe for discussion.
- Participants questioned whether the Work Group was responsible for addressing all of the statutory gaps identified in the briefing provided by Lee Axelrad.
- Tom Gohring asked participants to consider whether the CALFED Record of Decision could be satisfied without drafting new legislation.

CALFED Program Staff acknowledged the need to provide better clarity with regard to the purpose of the Work Group and the scope of issues to be considered. This was proposed as a topic of discussion for the next Drafting Team teleconference.

C. Ground Rules:

Participants reviewed and discussed the draft Ground Rules intended to guide the Work Group's deliberations. Participants approved the Ground Rules as written with two exceptions:

- (1) Several group members questioned the adequacy of Work Group stakeholder representation. In particular, participants wondered whether or not the Work Group has sufficient representation from 1) Central Valley water users, 2) the business community, and 3) the agricultural community. CALFED Program Staff agreed to further discuss this topic at the first Drafting Team teleconference.
- (2) Participants asked whether an additional Ground Rule was needed to help clarify the sharing and dissemination of Staff Work Group documents within other fora, such as the current discussions on AB 306. CALFED Program Staff committed to introduce for review and comment, via e-mail, a new ground rule addressing this issue.

Several other key points also were highlighted in the discussion on Ground Rules:

- The importance of communicating interests and disclosing information fully to other group members.
- The value of in-person participation for full Work Group meetings, but acknowledging that occasional teleconference participation may be unavoidable.
- The importance of briefing colleagues on ideas under discussion and then raising any suggestions and/or concerns for the Work Group's consideration.
- A reminder that the Work Group meetings are open to the public.

D. Proposed Timeline/Milestones:

Participants had no comments regarding the proposed schedule and timeline for developing a definition of appropriate urban water use measurement. Both the schedule and timeline were viewed as appropriate and reasonable.

E. Presentation of Background Information on Urban Water Use Measurement

Lee Axelrad presented on the Legal Authorities Governing Water Use Measurement in California. David Mitchell presented on the status of water use measurement in California and on the benefits and costs associated with this.

Key conclusions drawn by the presenters included the following:

- No single statutory scheme exists governing urban water use measurement in California.
- Much of the state is already metered, especially in the industrial and commercial sectors. The primary exception involves single and multi-family dwellings in the Central Valley.
- Water meters, when used in conjunction with volumetric pricing, result in water savings of approximately 20%. Expected water savings from sub-metering are lower (in the 10%-20% range).
- Water savings are driven primarily by landscaping use savings.
- Costs to meter existing service connections vary depending on condition of existing infrastructure.
- The estimated cost of water saved from meter retrofits for single family homes is relatively low for water in California as a whole but higher than some source acquisition costs in the Central Valley. The estimated cost of water saved from sub-metering is currently higher, but these unit costs of water saved from sub-metering are decreasing with improving technologies.

Participants complimented the thoroughness of the presentations. They also identified a handful of other information needs that could help inform the Work Group's deliberations. These included:

- Provide additional information on the diversity of local ordinances governing local metering and volumetric pricing of urban water and their relationship to any potential statewide legislation.
- Provide an analysis of the benefit of the water saved (including environmental benefits)—i.e., avoided cost benefits.

The Facilitation Team will continue to develop relevant information to support Work Group discussions.

IV. Next Steps

A. *Future Meeting Schedule*

Participants agreed to the following initial meeting schedule.

<u>Date</u>	<u>Time</u>	<u>Meeting Type</u>	<u>Location</u>
Friday, March 28	10:00–11:30 AM	Drafting Team	Teleconference
Monday, April 7	12:30–4:00 PM	Full Work Group	In person, Sacramento
Wednesday, April 30	12:30–4:00 PM	Full Work Group	In person, Sacramento

Information on specific locations, agendas and teleconference call-in numbers will be distributed at a later date.

B. *March 28, 2003 Drafting Team Meeting*

Participants agreed to hold a drafting team meeting – via teleconference – on Friday, March 28, to follow up on the issues and concerns raised during the kick-off meeting. Issues to be addressed include:

- Clarity on Work Group scope and purpose
- Stakeholder representation
- Relationship of Staff Work Group to AB 306 process

C. *Documents to be revised:*

For the next full Work Group meeting, CALFED Program Staff is to provide revisions to the following documents. These revisions are to incorporate comments made at the March 18th kick-off meeting as well as at the March 28th Drafting Team meeting.

- Ground Rules
- Purpose/Scope Statement
- Table of Contents